

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
SHERIDAN HOLDING COMPANY II, LLC, <i>et al.</i> , <sup>1</sup>	§	
	§	Case No. 19-35198 (MI)
Debtors.	§	
	§	(Jointly Administered)
	§	
	§	

**NOTICE OF ASSET SALE RESTRUCTURING**

**PLEASE TAKE NOTICE** that, on September 15, 2019, Sheridan Holding Company II, LLC and the other above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”).

**PLEASE TAKE FURTHER NOTICE** that, on September 15, 2019, the Debtors filed the *Debtors’ Joint Prepackaged Plan of Reorganized Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 10].

**PLEASE TAKE FURTHER NOTICE** that, on September 24, 2019, the Debtors filed the *Debtors’ Joint Prepackaged Plan of Reorganized Pursuant to Chapter 11 of the Bankruptcy Code (Technical Modifications)* [Docket No. 103] (as modified, amended, or supplemented from time to time, the “Plan”).<sup>2</sup>

**PLEASE TAKE FURTHER NOTICE** that, on September 24, 2019, the Debtors filed the *Notice of Proposed Assumption or Assumption and Assignment of Executory Contracts or Unexpired Leases and Cure Amount* [Docket No. 112] (the “Notice of Proposed Assumption/Assignment”).

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the Notice of Proposed Assumption/Assignment, objections to the proposed assumption or the assumption and assignment of an Assumed Contract, including any objection relating to cure costs were due to be filed no later than October 15, 2019.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Sheridan Holding Company II, LLC (7040); Sheridan Investment Partners II GP, LLC (8298); Sheridan Investment Partners II, L.P. (9405); Sheridan Production Partners II, LLC (8034); Sheridan Production Partners II-A, L.P. (8813); Sheridan Production Partners II-B, L.P. (9232); Sheridan Production Partners II-M, L.P. (9084); SPP II-B GP, LLC (8554); and SPP II-M GP, LLC (0488). The location of the Debtors’ service address is: 1360 Post Oak Blvd., Suite 2500, Houston, Texas 77056.

<sup>2</sup> Capitalized terms used but not defined in this Notice shall have the meanings ascribed to them in the Plan.

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the Plan and subject to the approval of the Debtors' governing bodies, the Required Consenting Secured Lenders, and the Purchaser's board of directors:

- (a) the Debtors will elect to effectuate the Asset Sale Restructuring and consummate the Asset Sale in accordance with the Plan; and
- (b) the Debtors, subject to the consent of the Required Consenting Secured Lenders, intend to sell or transfer substantially all of the Debtors' assets under the Plan to Crossing Rocks Energy Operating, LLC (the "Purchaser"), which shall be the "Purchaser" as defined in the Plan and the Notice of Proposed Assumption/Assignment

**PLEASE TAKE FURTHER NOTICE** that the Debtors reserve the right to withdraw this Asset Sale Election Notice at any time prior to confirmation of the Plan.

**PLEASE TAKE FURTHER NOTICE** that, in accordance with the terms set forth in the Plan, contemporaneously herewith, the Debtors filed the form of *Purchase and Sale Agreement Between Sheridan Holding Company II, LLC, et al. and Crossing Rocks Energy Operating, LLC* (as modified, amended, or supplemented from time to time, the "Asset Purchase Agreement"), which shall be the Asset Purchase Agreement as defined in the Plan.

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the Notice of Proposed Assumption/Assignment, the Debtors intend to assume and assign to Purchaser the executory contracts or unexpired leases set forth in the Notice of Proposed Assumption/Assignment (each, an "Assigned Contract") pursuant to section 365 of the Bankruptcy Code on the effective date of the Plan.

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the Notice of Proposed Assumption/Assignment, any recipient of this notice may object to the proposed assumption and assignment of an Assumed Contract, including to adequate assurance of the Purchaser's future ability to perform, but excluding the cure amount. Objections must: (i) be in writing; (ii) comply with the Bankruptcy Code, Bankruptcy Rules and Local Bankruptcy Rules; (iii) state, with specificity, the legal and factual bases thereof, and (iv) be filed by no later than **November 12, 2019 at 2:00 p.m. (prevailing Central Time)**.

**PLEASE TAKE FURTHER NOTICE** that the deadline by which parties in interest may file any brief in support of confirmation of the Plan and reply to any objections is extended to **November 8, 2019**.

**PLEASE TAKE FURTHER NOTICE** that, subject to Bankruptcy Court approval and availability, a hearing to consider final approval of the adequacy of the disclosure statement and confirmation of the Plan, including the Asset Sale Restructuring, shall be held on **November 12, 2019 at 2:00 p.m. (prevailing Central Time)**.

**PLEASE TAKE FURTHER NOTICE** that this notice, the Asset Purchase Agreement, and the Notice of Proposed Assumption/Assignment remain subject to Bankruptcy Court approval and other approvals as set forth in this Notice and remain subject to further change and revision in all respects.

Houston, Texas  
November 5, 2019

*/s/ Matthew D. Cavanaugh*

Matthew D. Cavanaugh (TX Bar No. 24062656)

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